

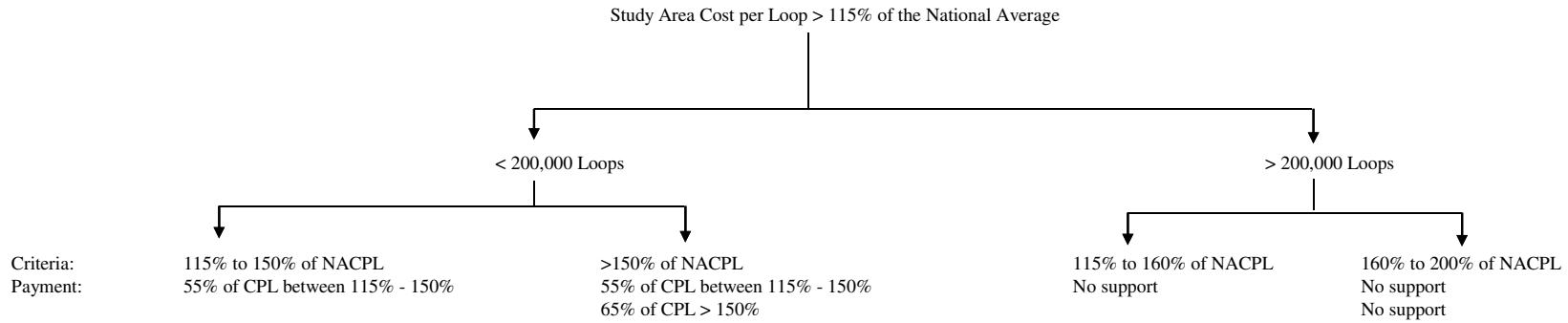
RURAL/RATE OF RETURN USF ANALYSIS

RURAL STUDY AREA HIGH COST LOOP USF ELIGIBILITY REQUIREMENTS

Eligibility Based on 2009 NACPL = \$458.36

Receipts based on Revenue Requirement Not Based on Lines Served

PROPOSED ALGORITHM



RATE OF RETURN STUDY AREA INTERSTATE COMMON LINE USF ELIGIBILITY REQUIREMENTS

25% Common Line (Loop) Revenue Requirement Recovered from SLC and ICLS

Receipts based on Revenue Requirement Not Based on Lines Served

EXAMPLE RURAL/RATE OF RETURN STUDY AREA USF RECEIPTS CALCULATION - assume < 200,000 Loops

NACPL = \$ 458.36

Study Area A		Study Area B		Study Area C		Study Area D	
Formula	Support	Formula	Support	Formula	Support	Formula	Support
Thresholds	Calculation	Thresholds	Calculation	Thresholds	Calculation	Thresholds	Calculation
A	B	A	B	A	B	A	B
1 Study Area Cost per Loop	\$ 400.00		\$ 500.00		\$ 618.80		\$ 1,000.00
2 Interstate Common Line Support							
3 -25% Interstate Assignment (B1*.25)	\$ 100.00	\$ 125.00		\$ 154.70		\$ 250.00	
4 -Less: SLC recovery (\$6.50 x 12)	\$ 78.00	\$ 78.00		\$ 78.00		\$ 78.00	
5 -Residual ICLS (B1-B4)	\$ 22.00	\$ 47.00		\$ 76.70		\$ 172.00	
6 High Cost Loop Support							
7 -115% Threshold (NACPL \$458.36*1.15)	\$ 527.11	\$ 527.11		\$ 527.11		\$ 527.11	
8 -Amount >115% but <150% ((B1 or A10)-A7)	\$ -	\$ -		\$ 91.69		\$ 91.70	
9 -Payment at 55% (A8*.65)	55% \$ -	\$ -		\$ 50.43		\$ 50.43	
10 -150% Threshold (NACPL \$458.36*1.50)	\$ 687.54	\$ 618.81		\$ 618.81		\$ 618.81	
11 -Amount >150% (B1-A10)	\$ -	\$ -		\$ -		\$ 381.19	
12 -Payment at 65% (A11*.75)	65% \$ -	\$ -		\$ -		\$ 247.77	
13 -Total High Cost Loop (B9+B12)	\$ -	\$ -		\$ 50.43		\$ 298.21	
14 Loop Cost Not Recovered from SLC, ICLS and HCL (B1-B4-B5-B13)	\$ 300.00	\$ 375.00		\$ 413.67		\$ 451.79	
15 Per Month State Loop Revenue Reqmt (B14/12)	\$ 25.00	\$ 31.25		\$ 34.47		\$ 37.65	